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CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEEKLY REVIEW****SOVIET FOREIGN POLICY DEVELOPMENTS**

The USSR is still attempting to impose restrictions on Western use of the Berlin air corridors and to assert the right to engage the corridors on the basis of agreements with East Germany. Severe harassments of Western aircraft have not been resumed, indicating that Moscow is not prepared for a showdown over air access. Khrushchev has not replied to the letters of President Kennedy and Prime Minister Macmillan regarding a summit meeting, and may not press his proposals for such a meeting to open the disarmament conference on 14 March. Instead, Khrushchev will probably seek a definite commitment from the Western leaders to a later summit.

Berlin

On the evening of 16 February the Soviet representative at the Berlin Air Safety Center (BASC) announced that there would be no further need for exclusive use of the air corridors by Soviet aircraft and that the alleged Soviet "air maneuvers" would be postponed indefinitely. Western flights that morning had proceeded without harassment, possibly because of poor flying weather. It is also possible that the Soviets believed further harassment would have led to the introduction of Western fighter aircraft in the corridors.

The Soviet BASC representative then tried a different approach. He began returning Western flight plans with the usual initial signifying Soviet clearance, but with the qualification that flight safety could not be guaranteed because US flight plans contained no estimate of the time of

crossing into East Germany. The Soviets apparently chose this issue as a test because of differences in procedure between US refusal and British willingness to provide such information. In making this requirement the Soviets are apparently aiming at buttressing their claim that the East-West German boundary is an international frontier. By distinguishing between flight clearances and safety guarantees, they are attempting to establish the principle that Western use of the air corridors is on the sufferance of the USSR rather than based on an unrestricted right flowing from the defeat of Germany.

This position was made more explicit in a Soviet note of 17 February replying to the Western protests of 15 February, and this was followed by the Soviet BASC representative's announcement on 18 February that on the following morning the northern corridor would be reserved at altitudes up to 7,500 feet. The note claimed a Soviet "right" to use the "so-called air corridors" on the basis of agreements with the East German regime without regard to the Western powers. Moreover, the USSR asserted that there was no document granting the West "unrestricted" air access and that the West would bear the consequences of a failure to comply with Soviet procedures. Western flights proceeded without harassment on 19 February, although the Soviets had announced another restriction for that day.

The Soviets then switched tactics again. In contrast to previous refusal to file specific plans for Soviet aircraft operating in the corridors, the

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Soviet BASC representative submitted flight plans with specific times of take-off and landing for four separate aircraft using the southern corridor. In effect, this amounted to a partial "reservation" of the southern corridor for altitudes between 4,000 and 7,000 feet for about four hours. Moreover, these plans were accompanied by a statement that during one 85-minute period "passage in the region of Eisenach will be rather difficult" for Western aircraft at altitudes below 7,000 feet. On 21 February the Soviet representative again filed plans for Soviet flights in the corridors, but made no reference to the effect on Western flights.

The Soviets apparently calculated that bringing their procedures closer to Western practices would make it more difficult for the Western powers to challenge the "reservations." By claiming that the scheduled Soviet traffic pattern would make it necessary for the Western aircraft to fly above a designated altitude, the Soviets are still aiming at establishing their right arbitrarily to pre-empt a part of the corridors, even if only for a brief period. This maneuver represented a further step in building a "documented" case that existing procedures are no longer adequate to maintain flight safety.

The general Soviet action, however, suggested no inclination to carry the matter to a showdown. Moscow's aims were directed instead at intimidation of the civil air carriers, which have refused to fly in altitudes "reserved" for Soviet flights. An additional aim appeared to be the establishment of a new concept of the status of the air corridors and the Soviet role in the four-power air safety center. The Soviets are apparently laying the groundwork either for withdrawing

from BASC or at least reducing their role to the status of an observer and refusing to cooperate.

Moscow on 20 February again used an article by an authoritative Izvestia commentator to warn the West that the USSR has not abandoned its intention to conclude a separate peace treaty with East Germany and that it will not permit the West to prolong exploratory talks on Berlin as a means of preventing such a treaty. The article denounced alleged Western disregard for East German sovereignty and implied that the East Germans might be obliged to take further steps to protect their "frontiers" and interests. Izvestia blamed the US for the lack of progress in the Gromyko-Thompson talks and said prospects for a "fruitful" exchange of views are "rapidly fading."

The Soviet leaders probably hope that hints that they no longer see any advantage in continuing the Moscow talks, coupled with interference in the Berlin air corridors, will exert increasing pressure on the Western governments to move toward formal negotiations on Berlin and Germany at a higher level.

Disarmament Conference

The renewed pressure on Berlin and Soviet efforts to bring about a high-level meeting probably reflect Khrushchev's continuing resolve to achieve some movement toward formal negotiations which would preserve his freedom of maneuver and prevent a hardening of the diplomatic impasse over Berlin. A definite Western commitment to such a meeting, even under the guise of disarmament, would provide Khrushchev with support for his claim that the conditions for withdrawing the deadline on a separate German treaty were still being satisfied. In view of French

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intransigence on the question of formal four-power talks on Berlin, the Soviets are concentrating on the alternative of bilateral contacts with the US and using the subject of disarmament as the means of gaining time and creating the appearance of movement toward negotiations.

Moscow has published the essence of the replies by President Kennedy and Prime Minister Macmillan to Khrushchev's letter of 10 February. In general Soviet propaganda has adopted a critical line on them but has been careful not to reject the proposals for opening the disarmament conference with a foreign ministers' meeting. At the same time, Moscow has given heavy emphasis to claims of a widespread acclaim for Khrushchev's initiative in proposing a heads-of-government meeting. In view of the unenthusiastic response of the eight neutral members of the disarmament committee, Soviet propaganda has fallen back on statements of support by the Eastern European satellite members of the committee. Even these statements, however, are no more than general endorsement with no firm indication that Khrushchev and his Eastern European colleagues will attend the Geneva meeting without the participation of other heads of government.

The manner in which the subject of US resumption of atmospheric testing has been woven into Soviet commentaries and reports on the Geneva meeting suggests that one of the immediate aims of the Soviet campaign is to put the US under pressure not to resume testing. On a broader scale, Khrushchev's proposal is being used to demonstrate that the Soviet Union is again actively campaigning for disarmament and, if sufficiently supported by neutrals, to divert international attention from Berlin and Southeast Asia to the issue of disarmament.

Soviet efforts to establish a case of Western refusal to consider disarmament seriously were also reflected in a private

conversation between Soviet chief delegate Tsarapkin and his Western counterparts at the test ban conference. Tsarapkin claimed that he waited for the Western delegates to take the initiative in opening informal conversations, but since this was not forthcoming he had decided to begin private talks. However, Tsarapkin merely reiterated the standard Soviet position and urged that a test ban be concluded as soon as possible, preferably before the opening of the 18-nation disarmament conference. Several times during the conversation Tsarapkin attempted to elicit a statement from the US and UK delegates that further informal discussions were futile. Immediately following the discussion TASS issued a report stating that the Western powers gave no "coherent reply" to Soviet efforts to resume serious talks, and that this attitude represented an "obvious unwillingness to reach an agreement" on a test ban.

There have been additional signs that the Soviet tactic at Geneva may be to advocate steps short of total disarmament for immediate discussion along with the standard broader program of "complete and general" disarmament. There has been no Soviet criticism of the US-UK proposals to consider what immediate aspects of disarmament might be negotiated. In addition, a Soviet diplomat at the UN predicted that the most important result of the Geneva conference could be an agreement on non-dissemination of nuclear weapons. He told an American official that he "understood" the Soviet Government was hopeful that agreement could be reached on one or more limited areas. He also said that he doubted it would be possible to conclude a master agreement on complete and final disarmament. The emergence of this line suggests that the USSR may be looking for some compensation in the field of European security or partial disarmament in return for a modest compromise on Berlin or a temporary shelving of the Berlin issue.

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LAOS

Souvanna Phouma's position at further talks in Vientiane on a coalition government will be strengthened by Western declarations of support for giving his followers the defense and interior posts. In conversations with the Western ambassadors at Luang Prabang, Souvanna indicated that he would present, after consultations with his Khang Khay "colleagues," several possible cabinet slates for the scrutiny of the Western powers.

Soviet Ambassador Abramov's return to Moscow on 18 February at a critical juncture in the coalition talks suggests that Moscow is becoming apprehensive over the situation and may be about to undertake a new initiative.

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There are indications that the USSR may be having difficulties in restraining the Pathet Lao from further military action and wants to consult Abramov before making any further moves. Souvanna told Ambassador Brown on 17 February that despite prolonged efforts by Abramov to persuade Souphannouvong to hold off further action at Nam Tha, the latter merely promised "to think it over." Souvanna indicated his own concern over the increasing strength of the Pathet Lao when he complained to Ambassador Brown that he exercised "no control whatsoever" over areas controlled by the Pathet Lao.

While no formal agreement has been reached on a cease-fire at Nam Tha, Souvanna and Souphannouvong have both pledged to refrain from attacking the town; Souphannouvong, however, has expressed his determination not to relax military pressure pending progress in negotiations. Only desultory shelling has been reported during the past few days.

In Geneva, meanwhile, the British representative had received no word from the Soviet delegation concerning Deputy Foreign Minister Pushkin's return, despite an earlier report that the British delegate intended to meet with Pushkin on 19 February.

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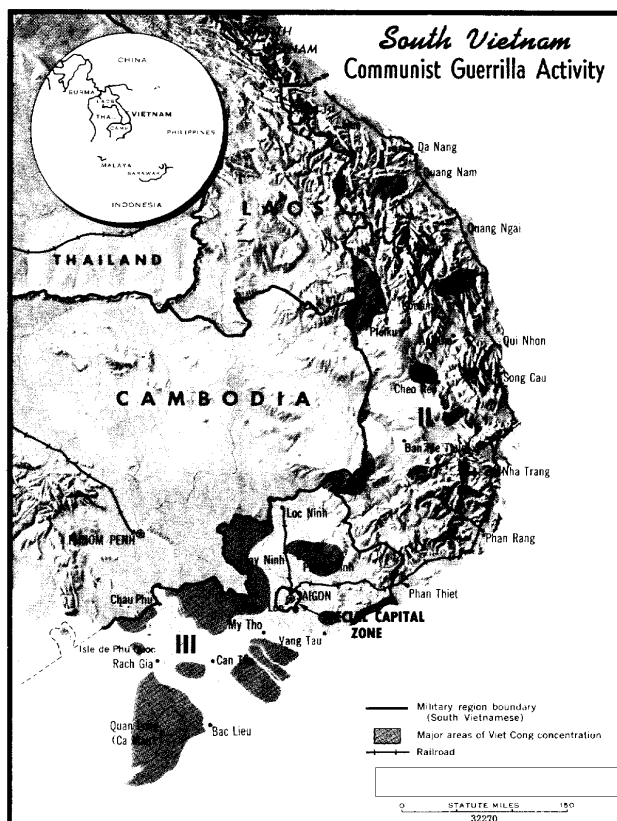
SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH VIETNAM**

Viet Cong military activity throughout South Vietnam continues in the pattern of small-scale ambushes and attacks directed principally against Civil Guard and Self-Defense Corps posts. For the fourth consecutive week there has been a drop in the number of reported incidents initiated by the Viet Cong; the level for the week ending 12 February was the lowest since August. This decline, however, is not considered to reflect any reduction in Viet Cong capability; American observers in the field expect an early increase in activity. The Communists continue to harass road and railway travel, and several rubber plantation owners in the area north of Saigon have reported that they are under pressure to supply the Viet Cong with drugs and funds. There are also reports that the Viet Cong may have introduced some anti-aircraft weapons into the same general area.

Government forces have kept up offensive actions in all three military zones, but there have been no recent major operations and no notable successes. South Vietnamese officers in the central plateau area are said to feel that a new program under which some 1,000 mountain tribesmen have been armed is having a decided effect on Communist operations in this strategic area near the Laotian border. As evidence, they cite a letter found on a dead guerrilla warning against travel except at night, because villagers now are armed, and

ordering efforts to prevent the government from winning over the tribesmen. The government has also stepped up programs to provide military training to youths, women, and civil servants, and to broaden its control in rural areas through a system of fortified "strategic" hamlets.

At least three groups are reported to be pressing for drastic governmental changes--including the replacement of Diem's brother and chief adviser Nhu and other top officials,



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but all are said to be willing to retain Diem as president if their conditions are met. These groups--which are reported to center respectively about Diem's brother Can in central Vietnam, field commander General Minh, and various political oppositionists--apparently are not coordinating their efforts, nor are their plans in advanced stages.

Propaganda from the Communist-controlled National Front for the Liberation of South Vietnam has been concentrating on themes calculated to have a wide popular appeal in the South and stressing abuses under the Diem

regime. Both the Front and Hanoi continue to denounce US support for Diem, and on 18 February North Vietnam charged its security was threatened by the establishment of a new US military command in Saigon. This statement, the first such formal charge, apparently is designed to stir international apprehension in hopes this will have some restraining influence on the US or, failing this objective, to justify some Communist countermove. Soviet propaganda also has reacted violently to the new US command, asking: "Can other peace-loving countries remain inactive?"

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CONGO

Efforts to bring about a new meeting between Adoula and Tshombé, aimed at facilitating Katanga's reintegration with the Congo, have lately been overshadowed by preoccupation on the part of UN authorities with the establishment of a UN military presence in key towns of southern Katanga.

U Thant told US officials on 16 February that the UN was obliged to carry out its resolutions concerning Katangan secession and the ouster of mercenaries. He contended that Tshombé had agreed to the sta-

tioning of UN forces in Jadotville, Kolwezi, and Kipushi, and that should he renege, it might be necessary for the UN to use force. Reports from the US Consulate in Elisabethville indicate that Tshombé has tended to qualify his commitments concerning UN moves to the three towns, and Tshombé may feel that he has concurred only in principle.

Western delegations in New York, notably the US and British, have sought to deter the UN from any precipitous move in southern Katanga. Reports from Jadotville

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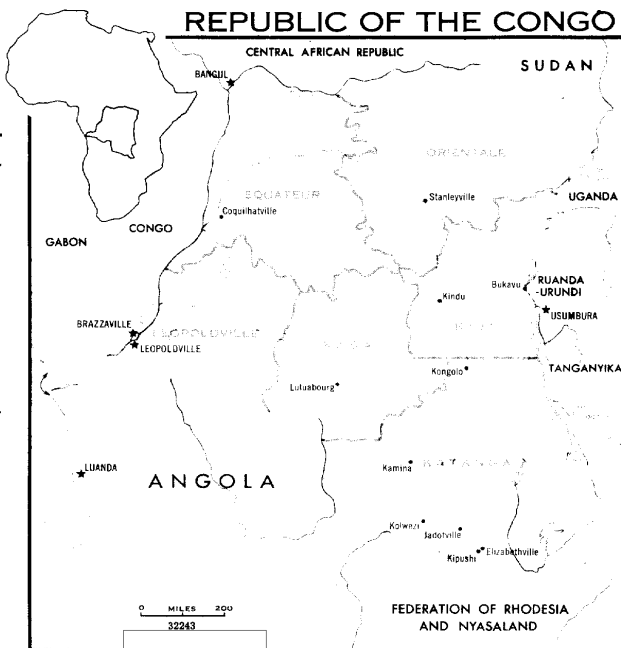
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and Kolwezi indicate that spirits among Tshombé's forces are generally high, and that in the absence of suitable psychological preparation, a UN move to occupy the three towns could trigger new fighting. Tshombé, on a recent trip to Jadotville and Kolwezi, reportedly raised with key tribal chiefs the possibility of UN troop movements in the area but did not obtain their concurrence.

kept in the government and not be allowed to side with the opposition.

Recent movements of UN forces to the Elisabethville area have underscored security problems in Kivu and northern Katanga provinces. There continue to be reports of pillaging by Congolese Army bands only

Meanwhile, both Adoula and Tshombé appear agreed in principle on the desirability of a new conference aimed at ironing out differences which have arisen since their meeting at Kitona in December. Adoula, although critical of Tshombé's failure to implement the Kitona accords fully, has invited him to Leopoldville for further talks. Tshombé, on his part, has proposed a meeting at Kamina. Although Katangan leaders appear resigned to some degree of reintegration with the Congo, they have shown no inclination to accept the central government's primacy in such areas as control of the armed forces or fiscal policy. Katanga continues to issue its own currency, and Tshombé has yet to spell out a formula by which the central government would share in Katanga's mining revenues.



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In Leopoldville, it is still unclear whether former Interior Minister Gbenye will accept his 12 February "promotion" by Adoula to a vice premiership. Western observers believe that in view of Gbenye's position as head of Lumumba's political faction, it is important for Adoula that Gbenye be

nominally responsive to General Lundula in Stanleyville. UN officials in Leopoldville fear that Lundula, who now appears attached to the central government, is faced with increasingly serious disciplinary problems, particularly in the Kindu area. Public order in Stanleyville has improved since Gizenga's departure, but the economic situation continues to deteriorate.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****FRANCE-ALGERIA**

Prospects for a cease-fire in Algeria before the end of this month depend on the rapidity with which the Algerian National Revolutionary Council (CNRA) acts on the agreement produced by the secret French-Algerian talks and on whether a final round of talks is necessary to "iron out" last-minute reservations either side may have. A French Foreign Ministry official told the US Embassy in Paris on 19 February that the only actual agreement to be signed would be the cease-fire. He said that other substantive matters, such as the status of the European minority, French bases, and the Sahara, would have to be covered by separate but agreed declarations on both sides.

Although the CNRA is expected to ratify the cease-fire agreement without undue delay, there could be considerable discussion over specific terms. The agreement is reportedly long, and many CNRA members representing the fighters within Algeria feel that they have been inadequately informed as to the progress of negotiations.

Meanwhile, the French are reportedly taking extensive additional security precautions in preparation for any major disorders--whether resulting from Moslem crowds celebrating the return of peace or provoked by European extremists. According to press reports, large numbers of troops are moving from the interior of Algeria to ring Algiers, Oran, Bone, and other cities where the most violent European terrorism has occurred recently. There are various reports that the government plans to send them into the cities only if violence erupts on a scale the police and gendarmerie cannot handle. The Algiers regional gendarmerie commander expects violence to be a serious threat in his area for about two weeks following a cease-fire announcement. Although few observers in Algiers expect any massive army defections to the Secret Army Organization (OAS), some of them, according to US Consul General Porter in Algiers, seem to think a number of regiments or battalions would be brought over by defecting officers and that this would result in fighting between "loyalist" and "insurgent" units.

The publicity the government accorded the first moves to withdraw 20,000 troops from Algeria on 15 February--the equivalent of the two divisions De Gaulle had said would soon be repatriated--was presumably to demonstrate his good faith to the rebels before the CNRA meeting.

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[REDACTED]

In any case a cease-fire will not end the extremists' determination to reverse De Gaulle's policy. The OAS will most likely increase its terrorism, but the possibility cannot be discounted that OAS

leaders not under Salan's control might launch a desperate coup attempt. Following the 18 February attack on Algerian troops in Morocco by two French planes piloted by OAS sympathizers, the OAS in a pirate broadcast on 20 February claimed it could also bomb the French administrative headquarters at Rocher-25X1 Noir if necessary to prevent a cease-fire agreement. [REDACTED]

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DEVELOPMENTS IN FRENCH LABOR

The recent participation of the major non-Communist labor unions in political strikes and demonstrations protesting right-wing terrorism over Algeria has again raised the possibility of a wider unity of action with the Communist-led General Labor Confederation (CGT). The success of these demonstrations will exert pressure from the rank and file on the free unions' leaders to undertake joint action with the Communists in the long-drawn-out disputes with the government over wages, hours, and pensions.

Since 1958 the free unions have generally acquiesced in the government's plan to postpone wage demands pending settlement of the Algerian war. Recently, however, their leaders have been under growing worker pressure for quick satisfaction of labor demands. Increasingly insistent demands to bring wage-earner purchasing power back to the 1957 high point led to an average 7.5-percent rise in private industry in the past two years, but the government has held down wage hikes in the nationalized industries. With consumer prices rising, labor has shown an increasing willingness to resort to strikes.

Sporadic agitation in the nationalized industries culminated in a series of strikes during the last three months of 1961 which paralyzed the gas, electricity, railroad, and public transport industries for

brief periods. No satisfactory over-all agreement has been reached on wages and conditions of work. Further agitation, including strikes, can be expected, particularly as French industry tries to cut labor costs to become more competitive within the Common Market.

The mounting unrest over Algeria posed on a political plane the issue of "unity of action" with the CGT (estimated membership: 932,000). The Christian Workers' Confederation (500,000 members), while publicly opposing such cooperation, has nonetheless proved increasingly susceptible to pleas for unity, especially at the local level. Even within the Socialist-oriented Workers' Force (431,000), which has steadfastly refused any CGT cooperation, a collaborationist minority has recently emerged.

A French Communist party directive of 11 February, enjoining its members to avoid violence in last week's demonstration, was almost certainly designed to show non-Communist parties and unions that cooperation with the Communists need not lead to an all-out attack on the forces of law and order. If the rightist threat continues, such a precedent for orderly cooperation will make it increasingly difficult for the free union leadership to argue against "unity of action."

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SINO-SOVIET CLASH OVER DISARMAMENT**

Soviet and Chinese Communist delegates clashed over the issue of disarmament at the Afro-Asian Writers' Conference concluded in Cairo on 15 February. The Chinese apparently believe that Khrushchev is vulnerable to their attacks, inasmuch as Moscow's emphasis on disarmament and peaceful coexistence contrasts sharply, in the minds of militant nationalists in colonial areas, with Peiping's demand for vigorous exploitation of revolutionary situations. The Chinese are trying to convince them that Mao Tse-tung is their "real" champion against colonialism.

At Cairo, the Chinese delegate, Minister of Culture Mao Tun, and the Soviet delegate, Mirzo Tursun-zade, a central Asian "poet" of Tadzhik descent, quarreled violently over a disarmament proposal submitted to the conference by the Turkish delegate. Mao Tun attacked Soviet support for the proposal and apparently was successful in blocking Mirzo's effort to include a disarmament appeal as part of the conference's resolutions. The declaration issued by the conference on 15 February contains no reference to disarmament and calls on "writers and artists"--leftist propagandists--to step up the struggle for national liberation as the "best" way to win peace.

The Chinese apparently succeeded in lining up outspoken allies against the Russians.

The strongest statement supporting a fierce anti-imperialist struggle--the Chinese position--was made by the delegate from Cameroon, who stated flatly that "we consider the fight for disarmament is subordinate to the struggle for national liberation." Uganda's delegate stressed that the "battle against neocolonialism will be fierce." In a dig at the Soviet position on "peaceful" revolution, the South African delegate stated that for many years a nonviolent struggle had been waged in the face of staggering police provocation: "Who will say that we have not been patient--too patient perhaps!"

The tone of these anti-Soviet remarks was set by Mao Tun himself, who insisted in his speech on 12 February that "sheep and wolves can never coexist peacefully" and that coexistence cannot be "unconditional." The Soviet delegate responded on 14 February that the alternative to Khrushchev's view is atomic war and that "only madmen and incendiaries of a new world war do not understand this." He argued that Moscow, too, is against colonialism and accused the Chinese by implication of "distorting" the Soviet position.

This is the third time in recent months that the Russians and Chinese have clashed publicly in an international

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organization over disarmament, reflecting the tense state of Sino-Soviet relations. At the Afro-Asian People's Solidarity meeting in Cairo in early December, the Chinese attacked the Soviet idea of general disarmament, claiming that it would force "struggling peoples --for example, the Algerians-- to give up their arms." The rebuff of the Soviet delegate on this and several other issues by the Asian and Algerian delegations demonstrated Peiping's effectiveness in increasing its influence among non-European leftists. In mid-December, however, the Russians turned the tables on the Chinese at the European-dominated World Peace Council meeting in Stockholm, defeating Peiping's effort to subordinate disarmament appeals to support for colonial revolution.

The Chinese attack on Khrushchev's disarmament line at the writers' conference points up a troublesome dilemma he faces. Disarmament propaganda is a key component of his policy toward the West, but it is vulnerable to distortion by the Chinese, who extend it to mean "disarming the peoples' fighting against colonialism." Soviet officials are constantly constrained to challenge the Chinese distortion by arguing --as Mirzo did--that Moscow would eliminate world war but would support the "struggle

against the modern barbarians, the colonialists." In support of this line, Khrushchev has stated that "just wars" of national liberation are not ruled out but, on the contrary, are to be encouraged. At the writers' conference, however, Mao Tun avoided mention of this Khrushchevian position.

The Chinese similarly can be expected to exploit Soviet participation in the 18-nation disarmament conference scheduled to open on 14 March. An article in People's Daily states that "only" by strengthening the bloc and revolutionary movements everywhere "can we compel the imperialist bloc to sit down for serious negotiations." The Chinese also view such conferences as tending to undercut their own goal of attaining a nuclear weapons capability. Foreign Minister Chen Yi stated last October that the more countries that had nuclear weapons the better, and that when Communist China acquired them, world peace would be assured. Reflecting Soviet bloc fear of such a development, a Czech UN official on 15 February stressed to Ambassador Stevenson Prague's concern that further dissemination of nuclear weapons would lead to their acquisition by Communist China and West Germany.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CHINESE COMMUNIST GRAIN PURCHASES**

The Chinese Communists have moved slowly in all their negotiations for Western grain this year, betraying no sense of urgency which might compel them to buy at a disadvantage. In each of the three major transactions so far, Peiping has obtained the same credit terms as last year. Its payments position will remain tight, but even if grain imports rise to last year's total of 6,000,000 tons, these terms will hold 1962 financial obligations for grain, including credit repayments, to about the same level as in 1961. Last year only about half of Peiping's total grain purchases were on credit. Grain purchases will continue to displace other imports, however, and thus impede the regime's economic progress.

According to members of the Australian Wheat Board, a transaction for the sale of 500,000 to 650,000 tons of wheat will be closed with Communist China in the near future. The terms proposed by the Chinese are 10 percent on delivery, 40 percent in six months, and the balance in 12 months. The Australians had stated earlier that credit sales to China would not be approved this year, since there were other purchasers willing to pay cash. Because the Chinese probably refused to buy without credit and because new grain surpluses are anticipated in Australia, the board apparently is seeking to accommodate Pei-

ping now in order not to jeopardize further sales this year and possibly in the coming years as well. At least one half of the current order will consist of lower priced damaged wheat.

The Australian deal will bring total Chinese purchases so far this year to about 2,200,000 tons, including 1,100,000 tons from Canada, 400,000 tons from France, and 200,000 tons under the Sino-Burmese barter agreement. The Canadian transaction covers only the first half of 1962 and will be followed by a similar amount for the second half. The French order is part of a 1,000,000-ton contract to be delivered over three years. In Western Europe, the Chinese reportedly are dickering for more wheat flour from several countries which began selling to them last year. Chinese interest in purchases from Argentina apparently was dampened by Buenos Aires' refusal to grant credits.

Having lined up sufficient grain to keep Chinese trade and shipping agencies busy during much of the first half of 1962, Peiping probably will continue to bargain with Western suppliers for the best possible prices and credit terms. Total purchases this year are likely to amount to at least 5,000,000 tons, including those for re-export to Albania, Ceylon, Cuba, and other countries.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****FINNISH-SOVIET ARMS AGREEMENT**

The arms agreement negotiated in Moscow by Finnish Defense Minister Bjorkenheim in late January will enable his country to purchase from the USSR ten MIG-21s equipped with air-to-air missiles. The deal may also include some defensive ground-to-air missiles. The Finnish purchases, which include other military equipment such as artillery and marine diesel engines, will total some \$37,000,000. The funds will come from the \$125,000,000 credit granted to Finland by the USSR in December 1959.

Until 1959 the Finns depended mainly on the West for arms, and they have not built their military strength even up to the modest level specified by the 1947 peace treaty, which restricts their armed forces to 41,000 men and 60 fighter aircraft and prohibits experimentation with guided missiles. Bjorkenheim wishes to go shortly to Britain--the treaty's principal Western signatory--in order to discuss a "re-interpretation." Neither London nor Moscow objects to raising the manpower ceiling in order to enable the Finns to train all the men in the conscript classes now being called up.

the USSR has agreed to a "re-interpretation" allowing Finland to acquire guided

missiles. The British, however, prefer a formal revision of the treaty, apparently in order to avoid setting a precedent which the West Germans might later use to stretch the restriction in the 1954 Brussels Treaty regarding German missiles and nuclear weapons.

Although there are increasing contacts between the Soviet and Finnish military and the recent arms deal increases Finland's dependence on the USSR, closer military collaboration will not necessarily follow. President Kekkonen believes that the acquisition of military equipment from both East and West underlines Finland's neutral status. Finnish military leaders wish to obtain modern aircraft and other military equipment to enable Finland to defend its neutrality more effectively and render unnecessary the Soviet "assistance" provided for by the 1948 treaty of friendship, cooperation, and mutual assistance.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BLOC-YUGOSLAV ECONOMIC RELATIONS**

A Yugoslav-Polish agreement concluded in late January provides that trade between the two countries will exceed previously planned levels by 12 percent in 1962 and some 20 percent in the period 1963-65. Recent Yugoslav agreements with the Soviet Union, Bulgaria, and Hungary also call for expanded trade this year. Despite these agreements there are several factors which may prevent any substantial increase in bloc-Yugoslav economic activities in the near future.

Yugoslavia's trade with the Soviet bloc--28 percent of that country's total trade in 1960--decreased during the first ten months of 1961, largely because of a reduction in Yugoslav imports resulting in part from bloc reluctance to sell capital equipment and raw materials of either the quality or quantity desired by Yugoslavia. Another reason has been the greater freedom accorded local Yugoslav enterprises under the 1961 foreign exchange and trade reform to purchase from the West as long as foreign currency is available. Yugoslavia, moreover, has been unwilling to allow bloc countries to continue to increase their indebtedness on trade account and in some instances has suspended exports until debts are reduced.

The unspecified increase in Soviet-Yugoslav trade set for 1962 may not be realized unless current difficulties are solved. In the first ten months of 1961, Yugoslavia's trade with the USSR, its principal bloc trading partner, declined by more than one quarter compared with 1960. Yugoslav imports were less than half the 1960 figure, and exports increased only 7 percent. Negotiations on the 1962 trade agreement, which went on from early December until mid-February, were reported to have bogged down early in January over the problem of disposing of a Yugoslav export surplus of at least \$17,000,000 which the USSR did not wish to settle with foreign currency or by shipment of goods acceptable to the Yugoslavs.

Yugoslavia's credit and foreign exchange positions further complicate the problem. The rumor persists that it is seeking bloc credits totaling \$80,000,000-\$100,000,000 and that the USSR, Czechoslovakia, Poland, and perhaps other bloc countries have been approached in recent months. As yet no new bloc credits are known to have been extended, however. Nor is Yugoslavia known to have taken any action on a proposal discussed for many months to establish a discount rate applicable to bloc currencies for the purpose of stimulating trade.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****COMMUNIST BLOC AID TO UNDERDEVELOPED COUNTRIES**

During 1961 the Sino-Soviet bloc extended almost \$1 billion in economic assistance and well over \$500,000,000 in military assistance to countries in Asia, Africa, and Latin America. About 85 percent of this aid--most of it directed to Middle Eastern and Asian countries--came from the USSR. This is the second consecutive year that the combined aid figure has reached \$1.5 billion.

Total bloc assistance promised to underdeveloped areas since 1954 now totals nearly \$7 billion. Almost four fifths has already been obligated for specific projects, but only about \$3 billion has been drawn--approximately 60 percent in the

form of military assistance. However, drawings for economic projects were considerably higher in 1961 than in previous years, because planning and survey work on a number of large projects had been completed and construction had begun. For this reason, drawings will probably rise again in 1962.

Despite the bloc's involvement in some highly publicized showpieces, such as Egypt's Aswan dam and India's Bhilai steel mill, most of its economic aid has been designated for standard development projects. Of the total economic aid obligated by the end of 1961, nearly three fifths has been channeled into projects which will contribute directly to an expansion of manufacturing industries, almost one fifth to activities which will raise the output of agriculture, power, and minerals, and the remainder to other uses, such as transportation and communications projects.

While the bloc has provided individual credits for many small projects, most of its economic aid has been in the form of large umbrella credits, with precise uses left for later determination. Sixteen Soviet lines of credit, each for \$100,000,000 or more, account for nearly three fifths of all bloc economic credits extended thus far.

Although the repayment terms of bloc credits vary somewhat, certain tendencies are discernible. In general, the USSR charges 2.5-percent interest and schedules repayments over 12 years beginning one year after completion of all deliveries for a project. The European satellites charge 2.5 to 4 percent and schedule repayments over four to eight years after completion of all drawings. Communist China charges no interest, gives ten-year grace periods after drawings, and schedules repayments over an additional ten-year period. (Prepared by ORR)

**SINO-SOVIET BLOC ASSISTANCE TO THE
UNDERDEVELOPED COUNTRIES
(1954-1961)**

(Million Dollars)

	ECONOMIC AID				MILITARY AID
	USSR	EUROPEAN SATELLITES	COMMUNIST CHINA	TOTAL	
Afghanistan	405.5	5.8	-	411.3	100-125
Algerian Rebels	-	-	-	-	12-25
Argentina	100.0	3.7	-	103.7	-
Bolivia	-	1.9	-	1.9	-
Brazil	-	3.5	-	3.5	-
Burma	9.3	0.1	84.0	93.4	-
Cambodia	6.2	8.7	50.3	65.2	-
Ceylon	30.0	1.7	26.3	58.0	-
Cuba	200.0	97.0	60.0	357.0	100
Cyprus	-	3.4	-	3.4	-
Egypt (UAR)	508.6	101.8	4.7	615.1	500-600
Ethiopia	101.8	11.8	-	113.6	-
Finland	70.0	-	-	70.0	15
Ghana	95.4	67.1	19.6	182.1	?
Guinea	58.1	25.0	26.5	109.6	2-3
Iceland	3.1	1.5	-	4.6	-
India	824.5	138.3	-	962.8	20-25
Indonesia	368.5	220.3	57.4	646.2	240-350
Iran	-	6.1	-	6.1	-
Iraq	182.5	33.6	-	216.1	300-350
Mali	44.4	20.6	?	65.0	2-3
Morocco	-	-	-	-	4
Nepal	11.4	-	43.4	54.8	-
Pakistan	33.2	-	-	33.2	-
Somali Republic	56.7	5.6	-	62.3	-
Sudan	22.0	-	-	22.0	-
Syria	150.5	27.6	-	178.1	250
Tunisia	28.0	18.0	-	46.0	-
Turkey	9.6	7.5	-	17.1	-
Yemen	25.7	1.0	17.0	43.7	30-35
Yugoslavia	72.9	38.2	-	111.1	-
TOTAL	3,417.9	849.8	389.2	4,649.9	2,175-2,385

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CURRENT INTELLIGENCE WEEKLY SUMMARY

BRITISH GUIANA

The ending of British Guiana's general strike on 19 February has removed the immediate threat to Premier Jagan's People's Progressive party government, but an extended period of instability accompanied by further interracial violence is in prospect. The extensive destruction in the capital--nearly a third of the center of town is leveled--will increase the unemployment in the urban work force even above the present figure of 20 percent, and will intensify the existing economic discontent which organized labor and the two opposition parties exploited to initiate the strike on 13 February.

Having failed to overthrow Jagan by strike action, the opposition now may concentrate on trying to vote him out by inducing defections among his small legislative majority--19 seats to 15 for the combined opposition. However, the socialist, and mainly Negro, People's National Congress and the conservative multi-racial United Force have until recently been bitter enemies, and their present cooperation against Jagan may be short-lived.

Since most of Georgetown's population is Negro, the mob attacks on East Indian businesses followed racial lines, and East Indians blame the small Portuguese colony and the United Force for starting the riot at the electricity plant which touched off the arson and violence on 16 February.

Hatreds between the East Indian 50 percent of the popula-

tion and the Negro 35 percent have accordingly intensified to the point that the US consul general considers the gulf probably now unbridgeable, and the chances for the United Force to develop into a strong political party thus appear dimmer than ever.

Placed in the embarrassing position of being forced to depend on British troops--about 1,500 now are in the colony--Jagan on 20 February stated that he planned to "democratize" the unions whose leaders oppose him and to start forming soon a "national army" to deal with outbursts against the government after independence. Any "army" Jagan succeeds in forming would be a largely East Indian party militia, which would further aggravate racial tension. Jagan also charged publicly on 20 February that "US interests," but not the government directly, had given money and encouragement to the opposition.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****COMMUNIST INFLUENCE IN HAITI**

Under the corrupt Duvalier dictatorship in Haiti, suspected Communists hold a number of the highest economic posts in the regime, and the trade unions and the educational system have been infiltrated. The Communists may be expected to continue exploiting the President's determination to build up a personal political machine and to encourage him in his growing tendency to interfere with US aid programs and weed out US-trained professionals from both military and civilian posts.

The small Communist movement in Haiti has long exercised an influence disproportionate to its size, primarily because most of its members are mulatto intellectuals whose professional services are needed by the government. Conversely, such membership greatly restricted its influence over the black and almost completely illiterate rural population, which still shows little interest in ideologies. Negro members, however, are gradually coming to play a more effective role in the movement--a factor probably enhancing its stature with Duvalier, whose program calls for Negro supremacy.

Several Negro Communist sympathizers were included in Duvalier's entourage during his election campaign in 1957. After his inauguration, the President facilitated the return of exiled Communists, placing them in the bureaucracy and as instructors in schools and the university. Other Communists became prominent in the press and in organized labor. Although the party has long been illegal, the police ignore Communist

activity and concentrate almost entirely on ferreting out possible political opponents of Duvalier.

Three cabinet members are suspected Communists: Finance Minister Hervé Boyer, Commerce Minister Clovis Desinor, and Minister of Information and Coordination Paul Blanchet. Another suspected Communist, Blanchet's brother Jules, is Duvalier's adviser on accounting and the budget. The minister of labor has a son studying at a university in the USSR. 25X1

Since early in his term Duvalier has sought to undermine any group not directly under his own control, and in particular to neutralize the power of the armed forces by building up a civil militia. His pro-Communist advisers have probably encouraged him in these tendencies, and their influence may be reflected in such recent developments as his harassment of the Roman Catholic hierarchy, his interference in the operation of US economic aid programs, his shakedowns of US and other foreign businessmen, and his growing tendency to weed out professionals--many of them US-trained--from both military and civilian posts.

Many professionals are leaving for jobs in the Congo. It is reported that some 155 teachers have accepted positions offered by Leopoldville and that 12 lawyers--out of more than 200 Haitian applicants--have obtained posts as magistrates there. 25X1

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****DOMINICAN REPUBLIC**

The Dominican Republic's governing Council of State, while still popular, is facing critical economic problems, including a high rate of unemployment. The economy has been close to collapse as a result of the international sanctions imposed against Trujillo and of the tax cuts and inflationary wage increases hastily granted by post-Trujillo leaders. The Council received a \$25,000,000 loan from the US last week and should be able to stabilize the rapidly deteriorating balance-of-payments situation. A \$6,000,000 public works program already being implemented is beginning to provide employment for some of the jobless rural workers, but the plight of the large number of urban jobless is unchanged.

The worst of Trujillo's military have been purged or have disappeared, but there is lingering uneasiness in the officer corps about possible further purges. There is also concern that the government is

too soft in dealing with pro-Communists and Castro sympathizers. There were rumors of another plot in the air force last week, and one officer was arrested. Although there is little chance of a successful military coup, plotting of any sort probably would demoralize the services and weaken their effectiveness in any future showdown with the leftists.

Communist-influenced and pro-Castro groups and parties were recently organized into the Revolutionary Bloc of National Unity (BRUN) by the 14th of June party. Unless checked, its influence could mushroom in the present atmosphere of economic stringency, combined with unrealistic expectations for drastic reform. The BRUN has not gained control of any mass organization, but it is working with some success to influence mass communications media, students, and the countrywide labor federation.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****THE SOVIET ANTIRELIGIOUS CAMPAIGN**

The long-term Kremlin campaign to eradicate religion in the USSR has relied primarily, in the post-Stalin years, on administrative pressures against church organizations combined with propaganda "exposing the contradictions between modern science and religious superstition." A series of arrests of religious leaders in recent months on charges ranging from "treasonous contacts with foreign agents" to "debauchery and extortion" suggests that the anti-religious campaign has received new impetus in connection with the program for the transition to communism.

Religion in the Soviet State

Under Soviet laws only those religious groups may exist which have been "registered" or approved by state organs. Certain groups, including Jehovah's Witnesses, Pentecostals, and True Orthodox Christians, exist illegally, having been refused registration on grounds that their teachings are "antistate and fanatical."

All registered denominations are subject to control by either the Council for Russian Orthodox Church Affairs or the Council for Affairs of Religious Cults, both subordinate to the USSR Council of Ministers. All church funds from donations must be deposited in the State Bank and can be withdrawn only with the permission of the local representative of the appropriate Council. The Council has exclusive power to remove an individual from church executive organs. It establishes the curricula for theological schools and approves all candidates for study, as well as the assignments of priests and their promotions within the hierarchies after graduation.

Church funds cannot be used for charitable purposes. Churches are forbidden to hire choir singers or to turn religious services into "spiritual concerts." They are forbidden to organize excursions, poetry readings, or any other gatherings not a part of their religious rites. They cannot hold classes of religious instruction for people under 18 years of age, or seek to proselyte individuals of any age.

Scientific Atheist Propaganda

To supplement these controls, the regime also conducts an active propaganda campaign against belief in religion through the All-Union Society for the Dissemination of Scientific and Political Knowledge. In addition to its work in popularizing knowledge in the sciences, the society has a large "scientific atheist section" which is responsible for organizing atheist lectures and publishing atheist pamphlets.

The post-Stalin atheist propaganda line was established in a November 1954 decree, signed by Khrushchev, which emphasized that the antireligious campaign was to continue unabated but called for moderation in the tone of atheist propaganda and for the abjuring of direct attacks which might offend believers. In general this moderation has been reserved for the larger centralized churches which have no strong ties with organizations outside the USSR. By planting informers in the priesthood the regime has been able to achieve greater control in these hierarchically organized bodies than in the more loosely knit groups.

This control has enabled the regime to produce allegedly apostate priests to disillusion

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believers as well as to use church figures for foreign propaganda purposes. Selected church dignitaries have been invited to Kremlin receptions and dispatched on foreign tours in order to increase the USSR's international respectability and to support its "peace" propaganda campaign. Last September the Russian Orthodox Church delegation, upon joining the World Council of Churches, called for "general and complete disarmament" and an end to "criminal colonial systems"; it opposed discussion of atheism as straying into the "fields of political passions" and demanded instead a discussion of racial discrimination. The Catholics of the Armenian-Gregorian Church is giving active support to the current Soviet drive for the repatriation of 60,000 Armenians to the USSR.

Church Membership

Available figures on church membership in the USSR are based primarily on statements made by Soviet religious or government officials, and vary according to what the speaker wishes to prove. Moreover, a recent issue of the atheist journal, Science and Religion, warned that withdrawal of registration from a religious group frequently results merely in its continuing to function underground. There have been reports that some of the more loosely organized sects, recognizing the challenge that conspicuous growth would present to the regime, keep two sets of records--a small number of converts received into the group

in the presence of the Council official, and a larger number admitted secretly.

Mounting Regime Pressure

Another, although indirect, measure of the strength of religion is the concern exhibited by the regime for increasing its antireligious activities. In late 1957, participants in an All-Union Conference on Scientific Atheism complained of laxness in the organization of work and charged that the 1954 decree had been misinterpreted. As a result, seminars for atheist lecturers were held in many union republics, new houses of atheism were opened, and a course entitled "The Foundations of Scientific Atheism" was established at higher educational institutions.

The campaign appears to have received new vigor in 1959, reportedly as the result of a secret decree at the time of the 21st party congress that January. The decree allegedly called for reducing the number of churches in the USSR to a minimum during the present Seven-Year Plan (1959-65) and completely eliminating them during the next. Science and Religion, the first periodical to be devoted to atheism since before World War II, began publication in September 1959. In the following year an Atheist's Handbook, designed for use in "exposing myths" about Buddha, Moses, and Jesus Christ, was published.

During 1959 and 1960, broadcasts and press articles impugned the reputations of particular priests and religious leaders as "dissolute lovers of pleasure and connivers in crime." In June 1960, the archbishop of Kazan was sentenced to three years in prison for false tax returns and for collaboration with the Germans during World War II. According to a Western press report, five other Orthodox archbishops and three bishops were subsequently suspended from office on similar charges.

The names of three of the eight Russian Orthodox theological

PRINCIPAL RELIGIONS IN THE USSR

	ADHERENTS	NO OF PLACES OF WORSHIP
Russian Orthodox	30,000,000	20,000
Moslem	15,000,000	Unknown
Roman Catholic	1,600,000	1,241
Old Believers	1,200,000	540
Armenian-Gregorian	700,000	50
Evangelical Christian-Baptist	540,000	5,450
Lutheran	950,000	477
Jewish	500,000	400
Georgian Orthodox	Unknown	Unknown
Buddhist	Unknown	200
Seventh-Day Adventist	Unknown	400

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seminaries disappeared from church publications, suggesting that the institutions had been closed. The number of students accepted for theological training in the Armenian-Gregorian Church was reportedly drastically reduced. There were also reports that church buildings were being legally condemned because the church council representatives refused to authorize the disbursement of church funds for repairs.

In June 1961 Komsomolskaya Pravda reported that "in the past few years" 180 churches in Volyn Oblast had been closed "at the insistence of the workers." The Ukrainian party journal in the same month boasted that in the Dnepropetrovsk region more than 100 churches had been closed in the last two years "at the request of the population."

In August, Komsomolskaya Pravda launched a press campaign urging legislation to "protect" children from "church influence," including religious education from their parents. Although this was followed by press reports that children were being taken from parents in some of the unregistered sects, legislation to cover the registered sects has not yet been enacted.

Arrests of Religious Leaders

In the September issue of Science and Religion, an unsigned article in support of the new party program for building a Communist society apparently signaled yet another step in the antireligious campaign. As preparation for the USSR's new stage of development, the article called for intensification of the struggle against "conscious disseminators" of religion and for the exposure of "their hypocrisy, avarice, lechery, etc.," and urged that responsibility for "their participation in various types of criminal deals" be placed on "the church as a whole."

A series of widely publicized arrests of religious

leaders on criminal charges followed. As in the past, the unregistered sects and those registered sects with ties outside the USSR were hardest hit. In September a Pentecostalist mother was sentenced for murder in failing to rescue her son from a burning building, and five other leaders of the sect were sentenced for organizing a group "whose activities harmed the health of citizens...and for drawing minors into it."

In November, the convictions of three Jewish religious leaders in Leningrad and three more in Moscow for treason, espionage, and "criminal contacts" with a foreign embassy were revealed. Shortly thereafter, according to Western press reports, the heads of the Jewish communities in Kiev, Minsk, Vilnyus, Riga, and Tashkent were removed by the Council for the Affairs of Religious Cults. In the same month, the Ukrainian archbishop of Chernigov and a lay brother were convicted of "debauchery and extortion."

In December two members of a Jehovah's Witnesses group were convicted of spreading "malicious slanders on conditions in the USSR" and "appeals to support the aggressive plans of US imperialists." In the following month four Pentecostalists were sentenced for contacts with persons "recruited by foreigners" and "known to have received payments from the United States."

In January two Roman Catholic priests in Lithuania were tried on omnibus charges which included misappropriation of church funds, black-market operations in building materials, illegal foreign currency dealings, speculation with parcels received from abroad, and conspiring with Nazi collaborationists who had escaped to the United States after World War II. To this potpourri, the Soviet newspaper Trud added charges that the two priests had had accomplices in a ring of speculators which included the local Jewish rabbi.

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All the members had Jewish names or, according to Trud, ties with Israel.

Anti-Semitic Repercussions

The "ring of speculators" disclosed by Trud now is on trial in Vilnyus. This trial is the latest in a parallel campaign since last June against serious economic crimes, some of which are punishable by death. Like the trials of religious leaders, those involving economic crimes are apparently intended to provide the moral climate for "building communism." Since November, when the conviction of the Moscow and Leningrad Jewish leaders was announced, there has been a noticeable tendency on the part of the Soviet press in reporting charges of economic crimes to emphasize that the accused had Jewish names or ties to Israel. In the case of a group of Georgians whose names were not readily identifiable as Jewish, the press account--normally confined to a dry recital of names and figures--highlighted the unusually picturesque detail that part of the loot had been found hidden in the "the Torah, a book containing parts of the Bible and history of the Jewish faith."

There is no evidence thus far that this tendency derives from a deliberate regime policy of anti-Semitism. It appears to be the result of the encouragement given to latent popular anti-Semitism by the publicity accorded the trials of Jewish religious leaders. The present regime has shown itself to be extremely sensitive to charges of anti-Semitism, and "atheist" condemnations of Judaism normally take pains to distinguish between "Judaic religious workers and the Jewish bourgeois nationalist-Zionists" and "loyal Jewish citizens of the Soviet Union."

Persistence of Popular Interest in Religion

Soviet theoreticians have exhibited considerable embarrass-

ment in trying to explain the persistence of an interest in religion in a generation raised under Soviet power. In an article in Problems of Philosophy last March, "a certain reanimation of religious sentiments" was attributed to widespread grief and personal loss suffered during the war, unconvincing atheist propaganda, a low educational level among the masses, the inability of science to avert natural disasters, the continuing enslavement of women to housework, the influence of the capitalist world, the flexibility of the clergy in modernizing their teachings, their use of music in church services, their establishment of rival celebrations on major Soviet holidays, and their willingness to give personal attention to individuals whom "public organizations" had ignored or failed to help.

While this "stimulation of religious vestiges even among some young people" can in no sense be termed a religious revival, the increasing freedom of discussion in the USSR since Stalin's death has brought to light a widespread search for some philosophy outside the creed of Marxism-Leninism. Recent Soviet literature by young writers has contained numerous references to this search. After a recent public lecture on the 1945 liberation of Warsaw by the Red Army, four of the ten questions dealt with during the question period concerned religion and the position of the church in Poland. In an Izvestia article last fall on children's visions of communism, one youngster was quoted as saying: "We have been taught that our reason for living is to build communism. What will be the meaning of life; why will we live when communism is already built?" Izvestia did not attempt an answer.

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POLITICAL TRENDS IN SOUTH AFRICA

The past year has revealed two divergent trends in South Africa. The Verwoerd government, having attained last May its long-sought goal of establishing a republic and having increased its parliamentary strength in elections the following October, is pushing ahead with its policy of separate racial development (apartheid). Nonwhites, frustrated by the lack of an effective political voice and by the government's security measures, are being drawn toward illegal activities such as sabotage. Both trends are gradual, but they overshadow the efforts of moderates of all races.

White Politics

Verwoerd's Nationalist party for more than a year has had a clear majority of popular support--the first such majority since it came to power in 1948. Gerrymandering and a disproportionate number of rural constituencies have increased its representation in the House of Assembly--the lower house of the legislature--to 105 out of 160 seats.

Nationalist power is based on the cohesiveness of the Afrikaner community, which comprises 60 percent of the white population. The number of non-Nationalist Afrikaners is gradually increasing, particularly in the cities, and there are differences within the community--between doctrinaire defenders of Afrikaner culture in the Transvaal and easygoing pragmatists in Cape Province, and to some extent between rank-and-file conservatives and relatively liberal industrial and religious leaders within each region. However, the various Afrikaner groups have generally united under pressure, and the community's cohesiveness shows no sign of diminishing, even though its political and

social goals have been largely achieved. As the Afrikaners have a higher birthrate and a higher percentage of young people than the English-speaking South Africans, Afrikaner political dominance of the white community is likely to increase.

Verwoerd's white opponents are disorganized and unsure of themselves. The main opposition group, the United party (UP), has never overcome the handicaps resulting from the disparate character of its support: it must appeal to die-hard Empire loyalists in Natal and to renegade Afrikaners in Transvaal and Cape Province cities, to relative liberals, and to extreme conservatives whose racial ideas are almost indistinguishable from those of the Nationalists. The UP's program of "racial federation under white leadership" is designed to paper over these differences. Many of the party's leaders, taking their cue from the surprisingly good showing made by the small Progressive party last October, feel the UP should move in a liberal direction; any effort to promote such a trend, however, would appear fruitless, inasmuch as a large majority of the electorate is already more conservative than the UP program.

The Progressives, who include some of the best minds in the country, are considered by both Afrikaners and Africans to be an "honest" opposition, in contrast to the UP, whose racial policy they feel is hypocritical. But the Progressive demand for a nonracial franchise based on high educational and financial standards not only is far too liberal for the mass of the white electorate but fails by a wide margin to meet African desires. The small Liberal party, which campaigns on a "one man - one vote" platform, has even less influence in white politics.

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Foreign Policy

The government has gradually become more aggressive toward its foreign critics. One manifestation of this was Foreign Minister Louw's intransigent attitude during the UN General Assembly's discussion of apartheid last October --an attitude for which his government was censured by the assembly in an unprecedented action. This year's apartheid resolution in the UN narrowly avoided a clause asking member states to take sanctions against South Africa.

The republic took a similar line--and received a similarly strong rebuke--during the General Assembly's debate on South-West Africa, the former German territory which South Africa received as a mandate from the League of Nations after World War I and which it refuses to place under UN trusteeship. Afro-Asian states can be expected to attack South Africa vigorously on this issue and are challenging the republic's rather shaky legal frontier in the International Court of Justice.

The South African Government remains concerned over developments in the territories bordering it to the north--the Federation of Rhodesia and Nyasaland as well as Angola and Mozambique--and probably would respond quickly with help if it were asked to do so; so far, the governments concerned have not been able to overcome their distrust of each other to do any formal planning toward a "fortress southern Africa."

Implementation of Apartheid

Overseas opinion and developments elsewhere in Africa apparently have moved the Nationalists to give apartheid the best possible face. They are rapidly implementing a long-dormant program for seven rural territories--popularly called "Bantustans"--to administer the country's 11,000,000 Africans through their tribal leaders. Three such territorial authorities apparently are in operation, and the other four are to be set up this year.

The 3,000,000 urban Africans, many of whom have never seen their tribal homeland, apparently are to receive a degree of local self-government, but their political institutions reportedly are to be part of the "Bantustan" system. The government is also working out schemes to give some self-government to the colored (mixed blood) and Indian communities, although a majority of both groups live in small communities within urban areas and lack a "national homeland" within the country.

Verwoerd has said that the "Bantustans" may eventually attain independence. There is no sign, however, that the government is willing to risk losing the support of the white electorate by spending the money necessary to make the poverty-stricken African areas viable, or that its efforts to stimulate private white investment along the borders of these areas have borne much fruit.

Moreover, the establishment of African political institutions, even if they are dominated by "safe," conservative leaders, creates potential

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centers of discontent which may prove hard to control. Last year a group of chiefs in one territorial authority actually requested the independence promised by Verwoerd, thereby causing some consternation in government circles before the chiefs were dissuaded by their territory's own conservative majority. Faced with a determined effort by the government to channel their political activity, however, urban Africans in particular are likely to become increasingly sympathetic to extremists who assert that violence--particularly sabotage--is the only possible way to work changes.

African Politics

African communities in the cities are active, but the government's security measures have disrupted some organizations and led the other to operate with greater secrecy. It appears the "congresses" which until a year and a half ago dominated what politics there was among the Africans have been reduced to virtual impotence, but that small groups--including several known Communists--have been operating with relative efficiency.

The Pan-Africanist Congress (PAC) has shown no recent sign of activity, either overt or covert, and its organization seems to have disappeared except in African communities around Cape Town. There are some who still espouse the PAC's "Africa-for-the-Africans" slogan, which has considerably more potential rallying power than anything espoused by the PAC's rivals. None of its leaders, however, has shown the ability to build up a responsive following in the face of government counter-measures.

The hard core of the PAC's main competitor, the African

National Congress (ANC), seems to have fared somewhat better. The ANC's leaders have a longer history of organizational and conspiratorial work, and they have benefited from the tutelage of whites and Indians in the so-called "Congress Movement"--an alliance of organizations, most of them Communist-dominated, which claim to represent various South African racial and economic groups. The movement itself is troubled by factionalism, but a cadre of its leaders, operating outside the main organizational structure, probably is responsible for many of the bombings in South Africa since last September.

This group calls itself the National Liberation Committee. Its known leaders include two Africans, Nelson Mandela and Duma Nokwe, and two whites, Benjamin Turok and Raymond Strachan. All have long been associated with Communism. Strachan, described by an acquaintance as a "benign, well-balanced" Communist, is under arrest. The police believe he supervised the making of the bombs which were set off in Port Elisabeth and Johannesburg in mid-December. Mandela, who lived under cover in South Africa and Basutoland after the failure of the general strike he called last May, has left the country

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The Mandela group's main sources of aid from abroad reportedly are Cairo, Accra, and radical--but not necessarily Communist--groups in London. These cities are the centers for the operation of the "South African United Front," an amalgamation of exiles from both the ANC and the PAC. Factionalism has made this grouping ineffective, however--the PAC

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exiles themselves are split into pro-Ghana and pro-Nigeria factions--and most of the covert antigovernment activity in South Africa probably bypasses it. [redacted]

[redacted] Aid obtained abroad reportedly is channeled through Bantoland and Swaziland, two British High Commission territories where African nationalists opposed to South Africa are becoming increasingly active.

So far sabotage has been well planned but poorly executed. One African has been killed and another wounded by a prematurely exploding bomb, and those bombs which did go off properly achieved far less than the maximum possible damage. Even inept sabotage, however, is likely to have some effect on the whites, many of whom feel that their backs are against the wall. Moreover, the saboteurs can be expected to improve in proficiency with practice and further training abroad. The ANC's efforts probably will be supplemented by other groups attempting sabotage on their own, as seems to have happened early in January in Cape Town. Finally, Africans probably will not be the only perpetrators; many of the coloreds, who until recently were fearful of antagonizing the whites, have been alienated by the government's policy toward them and are showing greater interest in extra-legal activities.

Government Security Measures

[redacted] with a harsh anti-sabotage law sched-

uled to be enacted in this session of parliament, the government probably can keep the underground harassed and disorganized. It will not be able to stamp out the subversive groups, however, and sporadic outbreaks of bombings can be expected.

The buildup of the republic's security is continuing. The police are being reorganized to increase their efficiency, and the government plans to build three new munitions factories to supplement the country's already sizable armaments production.

Outlook

Verwoerd and the policies for which he is the strongest spokesman cannot be successfully challenged by whites until something weakens his two chief supports: the unity of the Afrikaners and the racial conservatism of the white population as a whole. Such a weakening might come about through a serious economic decline; South African exiles have been urging economic sanctions by other governments to bring this about. The effect of such sanctions, however, would be lessened by the fact that gold accounts for more than a third of the value of South Africa's exports and could not be controlled by any sanctions resolution.

The republic's security forces seem capable of preventing any violent outbreaks from endangering the white-dominated political structure. Behind this shelter the Nationalist government apparently plans to push ahead with more rather than less apartheid. With the dominant white party and the increasingly dominant African group seemingly set in their ways, efforts to bridge the gap between them are likely to be more and more futile.

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